

Monthly Operating Report

|              |                         |
|--------------|-------------------------|
| CASE NAME:   | LATITUDE SOLUTIONS, INC |
| CASE NUMBER: | 12-46295-RFM-11         |
| JUDGE:       | RUSSELL F NELMS         |

## UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

FORT WORTH DIVISION

## MONTHLY OPERATING REPORT

MONTH ENDING: MAY 31, 2018

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I  
 DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING  
 MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE  
 ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE  
 DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER  
 (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH  
 PREPARER HAS ANY KNOWLEDGE.

## RESPONSIBLE PARTY:

/s/ Carey D Ebert  
 ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Trustee  
 TITLE

Carey D Ebert  
 PRINTED NAME OF RESPONSIBLE PARTY

6/22/2018  
 DATE

## PREPARER:

/s/ Thomas McKenney  
 ORIGINAL SIGNATURE OF PREPARER

Accountant  
 TITLE

Thomas McKenney  
 PRINTED NAME OF PREPARER

6/22/2018  
 DATE

|                                    |
|------------------------------------|
| CASE NAME: LATITUDE SOLUTIONS, INC |
| CASE NUMBER: 12-46295-RFN-11       |

**MONTHLY OPERATING REPORT****CASH BASIS 1****CASH ACTIVITY**

| <b>Cash Receipts/Disbursements</b> |  | <b>MONTH<br/>MAY 2018</b> |            |
|------------------------------------|--|---------------------------|------------|
| 1                                  | Cash - Beg of Month                    | \$                        | 293,594.88 |
| <b>Receipts</b>                    |  |                           |            |
| 2                                  | Cash Sales                             | \$                        | -          |
| 3                                  | AR Collections                         |                           | -          |
| 4                                  | Loans & Advances                       |                           | -          |
| 5                                  | Sale of Assets                         |                           | -          |
| 6                                  | Settlement Funds                       |                           | -          |
| 7                                  | Wages                                  |                           | -          |
| 8a                                 | Other Receipts - Return of Deposit(s)  |                           | -          |
| 8b                                 | Other Receipts - Fraudulent Transfer   |                           | -          |
| 9                                  | Total receipts                         | \$                        | -          |
| <b>Disbursements</b>               |  |                           |            |
| 10                                 | Net Payroll - Contract Labor           | \$                        | -          |
| 11                                 | Payroll Taxes paid                     |                           | -          |
| 12                                 | Sales, use & other taxes               |                           | -          |
| 13                                 | Inventory Purchases                    |                           | -          |
| 14                                 | Mortgage Payments                      |                           | -          |
| 15                                 | Secured note payments                  |                           | -          |
| 16                                 | Rental and Lease payments              |                           | -          |
| 17                                 | Utilities                              |                           | -          |
| 18                                 | Insurance                              |                           | -          |
| 19                                 | Vehicle Expenses                       |                           | -          |
| 20                                 | Travel                                 |                           | -          |
| 21                                 | Entertainment                          |                           | -          |
| 22                                 | Repairs & Maintenance                  |                           | -          |
| 23                                 | Supplies                               |                           | -          |
| 24                                 | Advertising                            |                           | -          |
| 25                                 | Household expenses                     |                           | -          |
| 26                                 | Charitable Contributions               |                           | -          |
| 27                                 | Gifts                                  |                           | -          |
| 28a                                | Other Disbursements - Delivery Service |                           | -          |
| 28b                                | Other Disbursements - Storage Expense  |                           | -          |
| 28c                                | Other Disbursements - Bank Fees        |                           | -          |
| 28d                                | Other Disbursements - Entry Correction |                           | -          |
| 29                                 | Total Operating Disbursements          | \$                        | -          |
| <b>Reorganization Costs</b>        |  |                           |            |
| 30                                 | Professional Fees                      | \$                        | -          |
| 31                                 | US Trustee Fees                        |                           | -          |
| 32                                 | Other - Bond Fee                       |                           | -          |
| 33                                 | Total Reorganization Expenses          | \$                        | -          |
| 34                                 | Total Disbursements                    | \$                        | -          |
| 35                                 | Net Cash Flow                          | \$                        | -          |
| 36                                 | Cash - End of Month                    | \$                        | 293,594.88 |

|                                    |
|------------------------------------|
| CASE NAME: LATITUDE SOLUTIONS, INC |
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## **MONTHLY OPERATING REPORT**

CASH BASIS 1A

## CASH DISBURSEMENTS DETAIL

|                                    |
|------------------------------------|
| CASE NAME: LATITUDE SOLUTIONS, INC |
|                                    |
| CASE NUMBER: 12-46295-RFN-11       |
|                                    |

## MONTHLY OPERATING REPORT

CASH BASIS 2

Month: MAY 2018

## BANK RECONCILIATIONS

| BANK RECONCILIATIONS |                              | ACCOUNT #1     | ACCOUNT #2 | ACCOUNT #3 | TOTAL         |
|----------------------|------------------------------|----------------|------------|------------|---------------|
| A                    | Bank                         | Integrity Bank |            |            |               |
| B                    | Account Number               | *6295          |            |            |               |
| C                    | Purpose                      | Trustee Acct   |            |            |               |
| 1                    | Balance per Bank             | \$ 293,594.88  | \$ -       |            | \$ 293,594.88 |
| 2                    | Add: Deposits not Credited   | \$ -           | \$ -       |            | \$ -          |
| 3                    | Less: Outstanding Checks     | \$ -           | \$ -       |            | \$ -          |
| 4                    | Other Reconciling Items      | \$ -           | \$ -       |            | \$ -          |
| 5                    | Month end balance per books  | \$ 293,594.88  | \$ -       |            | \$ 293,594.88 |
| 6                    | Number of last check written | 3213           |            |            |               |

## INVESTMENT ACCOUNTS

| Bank Account Name & Number |                           |  |  |  |               |
|----------------------------|---------------------------|--|--|--|---------------|
| 7                          | N/A                       |  |  |  |               |
| 8                          |                           |  |  |  |               |
| 9                          |                           |  |  |  |               |
| 10                         |                           |  |  |  |               |
| 11                         | Total Investments         |  |  |  | \$ -          |
| CASH                       |                           |  |  |  |               |
| 12                         | Currency on Hand          |  |  |  | \$ -          |
| 13                         | Total Cash - End of Month |  |  |  | \$ 293,594.88 |

|                                    |
|------------------------------------|
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|                                    |

## MONTHLY OPERATING REPORT

CASH BASIS 3

## ASSETS OF THE ESTATE

| ASSETS OF THE ESTATE                  | SCHEDULE AMOUNTS^ | MONTH Apr-18    | MONTH May-18    | MONTH Jun-18  |
|---------------------------------------|-------------------|-----------------|-----------------|---------------|
| <b>REAL PROPERTY - Schedule A</b>     |                   |                 |                 |               |
| 1 None                                | \$ -              | \$ -            | \$ -            | \$ -          |
| 2                                     |                   |                 |                 |               |
| 3                                     |                   |                 |                 |               |
| 4 Total Real Property                 | \$ -              | \$ -            | \$ -            | \$ -          |
| <b>PERSONAL PROPERTY - Schedule B</b> |                   |                 |                 |               |
| 1 Cash on Hand                        | \$ -              | \$ -            | \$ -            | \$ -          |
| 2 Checking / Savings                  | \$ 11,268.14      | \$ 293,594.88   | \$ 293,594.88   | \$ 293,594.88 |
| 3 Security Deposits                   | \$ 25,333.00      | \$ 25,089.00    | \$ 25,089.00    | \$ 25,089.00  |
| 4 Household Goods                     | \$ -              | \$ -            | \$ -            | \$ -          |
| 5 Books                               | \$ -              | \$ -            | \$ -            | \$ -          |
| 6 Clothes                             | \$ -              | \$ -            | \$ -            | \$ -          |
| 7 Furs                                | \$ -              | \$ -            | \$ -            | \$ -          |
| 8 Firearms                            | \$ -              | \$ -            | \$ -            | \$ -          |
| 9 Insurance Policies                  | \$ -              | \$ -            | \$ -            | \$ -          |
| 10 Annuities                          | \$ -              | \$ -            | \$ -            | \$ -          |
| 11 Profit Sharing                     | \$ -              | \$ -            | \$ -            | \$ -          |
| 12 Stocks                             | \$ 400.00         | \$ 400.00       | \$ 400.00       | \$ 400.00     |
| 13 JV                                 | \$ -              | \$ -            | \$ -            | \$ -          |
| 14 Bonds                              | \$ -              | \$ -            | \$ -            | \$ -          |
| 15a Scheduled A/R*                    | \$ 87,894.71      | \$ 80,233.44    | \$ 80,233.44    | \$ 80,233.44  |
| 15b Accounts Receivable - F&T Water   | \$ -              | \$ 45,500.00    | \$ 45,500.00    | \$ 45,500.00  |
| 15c Accounts Receivable - Avivid      | \$ -              | \$ 24,500.00    | \$ 24,500.00    | \$ 24,500.00  |
| 16 Alimony                            | \$ -              | \$ -            | \$ -            | \$ -          |
| 17 Other Liquidated Debts             | \$ -              | \$ -            | \$ -            | \$ -          |
| 18 Equitable Interests                | \$ -              | \$ -            | \$ -            | \$ -          |
| 19 Contingent Interests               | \$ -              | \$ -            | \$ -            | \$ -          |
| 20 Other Claims                       | Unknown           | Unknown         | Unknown         | Unknown       |
| 21 Patents                            | Unknown           | Unknown         | Unknown         | Unknown       |
| 22 Licenses                           | \$ 30,000.00      | \$ 30,000.00    | \$ 30,000.00    | \$ 30,000.00  |
| 23 Vehicles**                         | \$ 445,553.00     | \$ 363,701.62   | \$ 363,701.62   | \$ 363,701.62 |
| 24 Boats                              | \$ -              | \$ -            | \$ -            | \$ -          |
| 25 Planes                             | \$ -              | \$ -            | \$ -            | \$ -          |
| 26 Office Equipment                   | \$ 12,161.00      | \$ 4,037.14     | \$ 4,037.14     | \$ 4,037.14   |
| 27 Machinery, Fixtures & Equipment    | \$ 127,069.00     | \$ 127,069.00   | \$ 127,069.00   | \$ 127,069.00 |
| 28 Inventory                          | \$ 390,000.00     | \$ 23,441.16    | \$ 23,441.16    | \$ 23,441.16  |
| 29 Animals                            | \$ -              | \$ -            | \$ -            | \$ -          |
| 30 Crops                              | \$ -              | \$ -            | \$ -            | \$ -          |
| 31 Farm Equip                         | \$ -              | \$ -            | \$ -            | \$ -          |
| 32 Farm                               | \$ -              | \$ -            | \$ -            | \$ -          |
| 33a Other                             | Unknown           | Unknown         | Unknown         | Unknown       |
| 33b Other - Fraudulent Transfer       | \$ -              | \$ -            | \$ -            | \$ -          |
| 34 Total Personal Property Assets     | \$ 1,129,678.85   | \$ 1,017,566.24 | \$ 1,017,566.24 | \$ -          |
| 35 Total Assets                       | \$ 1,129,678.85   | \$ 1,017,566.24 | \$ 1,017,566.24 | \$ -          |

^ The Scheduled amounts were obtained from the Debtor's Chapter 7 Schedules

\* Three payments on the Accounts Receivable were received during the Chapter 7 bankruptcy of this Debtor

\*\* Three Ford trucks were sold during the Chapter 7 bankruptcy of this Debtor

|                                    |
|------------------------------------|
| CASE NAME: LATITUDE SOLUTIONS, INC |
| CASE NUMBER: 12-46295-11           |

## MONTHLY OPERATING REPORT

CASH BASIS 4

## **LIABILITIES OF THE ESTATE**

<sup>^</sup> The Scheduled amounts were obtained from the Debtor's Chapter 7 Schedules

CASE NAME: LATITUDE SOLUTIONS, INC

CASE NUMBER: 12-46295-RFN-11

MONTHLY OPERATING REPORT  
 CASH BASIS 4A  
 A/R and PAYABLES

| ACCOUNTS RECEIVABLE AGING                        |                           | SCHEDULE AMOUNT     | MONTH MAY 2018     | MONTH APRIL 2018  | MONTH MARCH 2018   | MONTH FEBRUARY 2018 |
|--|---------------------------|---------------------|--------------------|-------------------|--------------------|---------------------|
| 1  | 0-30                      | \$ -                | \$ -               | \$ -              | \$ -               | \$ -                |
| 2  | 31-60                     | -                   | -                  | -                 | -                  | -                   |
| 3  | 61-90                     | -                   | -                  | -                 | -                  | -                   |
| 4  | 91+                       | -                   | -                  | -                 | -                  | -                   |
| 5  | Scheduled A/R*            | 87,894.71           | 80,233.44          | 80,233.44         | 80,233.44          | 80,233.44           |
| 6  | AR for F&T Water & Avivid | -                   | 70,000.00          | 70,000.00         | 70,000.00          | 70,000.00           |
| 7  | Uncollectible Amount      | -                   | -                  | -                 | -                  | -                   |
| 8  | A/R (NET)                 | \$ 87,894.71        | \$ 150,233.44      | \$ 150,233.44     | \$ 150,233.44      | \$ 150,233.44       |
| <b>AGING OF POST-PETITION TAXES AND PAYABLES</b> |                           | <b>0-30 DAYS</b>    | <b>31-60 DAYS</b>  | <b>61-90 DAYS</b> | <b>91+ DAYS</b>    | <b>TOTAL</b>        |
| <b>Taxes Payable</b>                             |                           |                     |                    |                   |                    |                     |
| 1  | Federal                   | \$ -                | \$ -               | \$ -              | \$ -               | \$ -                |
| 2  | State                     | -                   | -                  | -                 | -                  | -                   |
| 3  | Local                     | -                   | -                  | -                 | -                  | -                   |
| 4  | Other - Taxes             | -                   | -                  | -                 | -                  | -                   |
| 5  | Total Taxes Payable       | \$ -                | \$ -               | \$ -              | \$ -               | \$ -                |
| 6  | Other                     | -                   | -                  | -                 | -                  | -                   |
| 7  | Accounts Payable          | -                   | -                  | -                 | -                  | -                   |
| <b>STATUS OF POST-PETITION TAXES</b>             |                           | <b>BEG TAX LIAB</b> | <b>AMT ACCRUED</b> | <b>AMT PAID</b>   | <b>ENDING LIAB</b> |                     |
| <b>Federal</b>                                   |                           |                     |                    |                   |                    |                     |
| 1  | Withholding               |                     |                    |                   |                    |                     |
| 2  | FICA - Employee           |                     |                    |                   |                    |                     |
| 3  | FICA - Employer           |                     |                    |                   |                    |                     |
| 4  | Unemployment              |                     |                    |                   |                    |                     |
| 5  | Income                    |                     |                    |                   |                    |                     |
| 6  | Other                     |                     |                    |                   |                    |                     |
| 7  | Total Federal             |                     |                    |                   |                    |                     |
| <b>State and Local</b>                           |                           |                     |                    |                   |                    |                     |
| 8  | Withholding               |                     |                    |                   |                    |                     |
| 9  | Sales                     |                     |                    |                   |                    |                     |
| 10   | Excise                    |                     |                    |                   |                    |                     |
| 11   | Unemployment              |                     |                    |                   |                    |                     |
| 12   | Real Property             |                     |                    |                   |                    |                     |
| 13   | Personal Property         |                     |                    |                   |                    |                     |
| 14   | Other - Severance         |                     |                    |                   |                    |                     |
| 15   | Total State & Local       |                     |                    |                   |                    |                     |
| 16   | Total Taxes               |                     |                    |                   |                    |                     |

\* Three payments on the Accounts Receivables were received during the Chapter 7 bankruptcy of this Debtor

\* Accounts Receivable aging is unavailable at this time

|                                    |
|------------------------------------|
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|                                    |

## MONTHLY OPERATING REPORT

CASH BASIS 5

Month: MAY 2018

## PAYMENTS TO INSIDERS AND PROFESSIONALS

| INSIDERS |                            |                 |             |                    |                    |
|----------|----------------------------|-----------------|-------------|--------------------|--------------------|
|          | Name                       | Type of Payment | Amount Paid | Previous Amts Paid | Total Paid to Date |
| 1        | None                       |                 |             |                    |                    |
| 2        |                            |                 |             |                    |                    |
| 3        |                            |                 |             |                    |                    |
| 4        |                            |                 |             |                    |                    |
| 5        |                            |                 |             |                    |                    |
|          | Total Payments to Insiders |                 | \$ -        | \$ -               | \$ -               |

| PROFESSIONALS |                                 |   |                 |             |                    |                         |
|---------------|---------------------------------|---|-----------------|-------------|--------------------|-------------------------|
|               | Name                            | Date of Court Order Authorizing Payment | Amount Approved | Amount Paid | Total Paid to Date | Total Incurred & Unpaid |
| 1             | None                            |   |                 |             |                    |                         |
| 2             |                                 |   |                 |             |                    |                         |
| 3             |                                 |   |                 |             |                    |                         |
| 4             |                                 |   |                 |             |                    |                         |
| 5             |                                 |   |                 |             |                    |                         |
|               | Total Payments to Professionals |   |                 | \$ -        | \$ -               | \$ -                    |

| POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS |                  |                                |                           |                            |
|--|------------------|--------------------------------|---------------------------|----------------------------|
|  | Name of Creditor | Scheduled Monthly Payments Due | Amounts Paid During Month | Total Unpaid Post-Petition |
| 1  | None             |                                |                           |                            |
| 2  |                  |                                |                           |                            |
| 3  |                  |                                |                           |                            |
| 4  |                  |                                |                           |                            |
| 5  |                  |                                |                           |                            |
|  | Total            | \$ -                           | \$ -                      | \$ -                       |

CASE NAME: LATITUDE SOLUTIONS, INC

CASE NUMBER: 12-46295-RFN-11

## MONTHLY OPERATING REPORT

CASH BASIS 6

## QUESTIONNAIRE

Month: MAY 2018

| QUESTIONNAIRE  |     |    |
|--|-----|----|
|  | YES | NO |
| 1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD? |     | X  |
| 2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?             | X   |    |
| 3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?                |     | X  |
| 4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?                         |     | X  |
| 5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?                               |     | X  |
| 6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?  |     | X  |
| 7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?  |     | X  |
| 8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?  |     | X  |
| 9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?  |     | X  |
| 10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?   |     | X  |
| 11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?                                    |     | X  |
| 12. ARE ANY WAGE PAYMENTS PAST DUE?  |     | X  |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

#2 - A Trustee bank account was established when Carey D Ebert was appointed the Chapter 11 Trustee.

| INSURANCE   |     |    |
|---|-----|----|
|   | YES | NO |
| 1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER<br>NECESSARY INSURANCE COVERAGES IN EFFECT? | X   |    |
| 2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?   | X   |    |
| 3. PLEASE ITEMIZE POLICIES BELOW.   |     |    |
| Trustee Insurance Agency - Personal Property Insurance  |     |    |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.